

## **SeaSpine Holdings Corporation**

### **Audit Committee Charter**

This Audit Committee Charter was adopted by the Board of Directors (the “Board”) of SeaSpine Holdings Corporation (the “Company”) effective as of May 30, 2018.

#### **I. Purpose**

The purpose of the Audit Committee (the “Committee”) of the Board is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate, without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

Notwithstanding the foregoing, the Committee’s responsibilities are limited to oversight. Management of the Company is responsible for the preparation, presentation and integrity of the Company’s financial statements as well as the Company’s financial reporting process, accounting policies, Internal Audit Department (if any), internal accounting controls and disclosure controls and procedures. The independent auditor is responsible for performing an audit of the Company’s annual financial statements, expressing an opinion as to the conformity of such annual financial statements with generally accepted accounting principles (“GAAP”) and reviewing the Company’s quarterly financial statements in accordance with applicable requirements of the Public Company Accounting Oversight Board (“PCAOB”). It is not the responsibility of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosure are complete and accurate and in accordance with GAAP and applicable laws, rules and regulations. Each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and of the professionals and experts (including members of the Company’s Internal Audit Department, if any, or others responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services and the Company’s independent auditor) from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

Further, auditing literature, including applicable requirements of the PCAOB, defines the term “review” to include a particular set of required procedures to be undertaken by independent auditors. The members of the Committee are not independent auditors, and the term “review” as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.

#### **II. Membership**

The Committee shall consist of at least three members of the Board, each of whom shall satisfy the audit committee independence and financial literacy requirements of the NASDAQ Global Market (or such

other national securities exchange or inter-dealer quotation system on which the Company's common stock then is principally listed) and the independence requirements of Rule 10A-3 under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), subject to any applicable exemptions. Each Committee member must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement, and not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. Members of the Committee are not required to be engaged in the accounting and auditing profession and, consequently, some members may not be expert in financial matters, or in matters involving auditing or accounting. However, at least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Any director who the Board determines is qualified as an "audit committee financial expert," as that term is defined in Item 407(d)(5)(ii) of Regulation S-K, shall be presumed to qualify as financially sophisticated.

The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board.

### **III. Meetings and Procedures**

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.

The Committee shall meet at least once during each fiscal quarter and more frequently as the Committee deems desirable. The Committee shall meet separately, periodically, with management and with the independent auditor.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, representatives of the Internal Audit Department (if any), any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any persons it deems appropriate, including, but not limited to, any non-management director who is not a member of the Committee.

The Committee may retain and/or replace any independent counsel, experts or advisers (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company's regular legal counsel or other advisers to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor, for payment of compensation to any advisers retained by the Committee and for other expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

## IV. Powers and Responsibilities

### Interaction with the Independent Auditor

1. **Appointment and Oversight.** The Committee shall be directly responsible for the appointment and replacement, compensation, retention and oversight of the work of the independent auditor (including resolution of any disagreements between Company management and the independent auditor regarding financial reporting) and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and the independent auditor shall report directly to the Committee.
2. **Pre-Approval of Services.** Before the independent auditor is engaged by the Company or its subsidiaries to render audit or non-audit services, the Committee shall pre-approve the engagement. The Committee may adopt policies and procedures for the pre-approval of services and the Committee may delegate to one or more designated members of the Committee the authority to grant pre-approvals, provided such approvals are presented to the Committee at a subsequent meeting. If the Committee elects to establish pre-approval policies and procedures regarding non-audit services, the Committee must be informed of each non-audit service provided by the independent auditor. Committee pre-approval of non-audit services (other than review and attest services) also will not be required if such services fall within available exceptions established by the SEC.
3. **Independence of Independent Auditor.** The Committee shall, at least annually, review the independence and quality control procedures of the independent auditor. In conducting its review:
  - a. The Committee shall obtain and review a report prepared by the independent auditor describing (i) the auditing firm's internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, respecting one or more independent audits carried out by the auditing firm, and any steps taken to deal with any such issues.
  - b. The Committee shall ensure that the independent auditor prepare and deliver, at least annually, a written statement delineating all relationships between the independent auditor and the Company, consistent with applicable requirements of the PCAOB, including Rule 3526, Communication with Audit Committees Concerning Independence. The Committee shall actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditor. If the Committee determines that further inquiry is advisable, the Committee shall take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.
  - c. The Committee shall confirm with the independent auditor that the independent auditor is in compliance with the partner rotation requirements established by the SEC.
  - d. The Committee shall, if applicable, consider whether the independent auditor's provision of any permitted information technology services or other non-audit services to the Company is compatible with maintaining the independence of the independent auditor.

## Annual Financial Statements and Annual Audit

4. Meetings with Management and the Independent Auditor.
  - a. The Committee shall meet with management and the independent auditor in connection with each annual audit to discuss the scope of the audit, the procedures to be followed and the staffing of the audit. The Committee may also meet with the Chief Internal Audit Executive (“CAE”), if any, to discuss the annual audit if it so chooses.
  - b. The Committee shall review and discuss with management and the independent auditor, together and separately (as further described below) the Company’s annual financial statements and significant issues encountered in the course of the audit work, including the adequacy of disclosure regarding any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities of which the Committee is made aware that do not appear on the financial statements of the Company and that may have a material current or future effect on the Company’s financial condition, results of operations, liquidity, capital expenditures, capital resources or significant components of revenues or expenses.
5. Separate Meetings with the Independent Auditor.
  - a. The Committee shall obtain from the auditor disclosure of any illegal acts committed by management that came to their attention during the course of the audit.
  - b. The Committee shall discuss with the independent auditor the report that such auditor is required to make to the Committee regarding: (A) all accounting policies and practices to be used that the independent auditor identifies as critical; (B) all alternative treatments within GAAP for policies and practices related to material items that have been discussed among management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (C) all other material written communications between the independent auditor and management of the Company, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, independent auditor’s engagement letter, independent auditor’s independence letter, schedule of unadjusted audit differences and a listing of adjustments and reclassifications not recorded, if any.
  - c. The Committee shall discuss with the independent auditor other matters required to be communicated to the Committee by the independent auditor under the standards of the PCAOB.
6. Recommendation to Include Financial Statements in Annual Report. The Committee shall, based on the review and discussions in paragraphs 4 and 5 above, and based on the disclosures received from the independent auditor regarding its independence and discussions with the auditor regarding such independence pursuant to subparagraph 3(b) above, determine whether to recommend to the Board that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year subject to the audit.

### Internal Audit Department

7. Appointment and Evaluation. The Committee has authority to determine the need for, and the appointment and replacement of, the CAE, who will oversee the Internal Audit Department, and in consultation with the Company's principal financial officer, participate in the evaluation of, and in the determining of compensation of, the CAE, if any.
8. Separate Meetings with the Internal Auditor. The Committee may, as it deems appropriate, discuss with the CAE (if any) any significant reports to management prepared by the Internal Audit Department and any responses from management.
9. Internal Audit Charter. If adopted, the Committee periodically shall review and reassess the adequacy of the Internal Audit Charter and approve any changes thereto.

### Other Powers and Responsibilities

10. The Committee shall meet quarterly with management and the independent auditor to discuss the quarterly financial statements prior to filing the Company's quarterly report on Form 10-Q; provided, that this responsibility may be delegated to the chair of the Committee or a member of the Committee who is a financial expert; provided, further, that, if the responsibility to meet quarterly with management and the independent auditor is delegated, the Committee itself shall still meet at least quarterly.
11. The Committee shall review all related party transactions that would require disclosure pursuant to Item 404 of Regulation S-K, on an ongoing basis, and all such transactions must be approved by the Committee (to the extent the Committee deems appropriate).
12. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters. The Committee shall discuss with management and/or the independent auditor, as appropriate, any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or internal audit function.
13. The Committee shall discuss with the Company's internal counsel or outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.
14. The Committee shall as needed request assurances from management and the CAE, if any, that the Company's foreign subsidiaries and foreign affiliated entities, if any, are in conformity with applicable legal requirements, including disclosure of affiliated party transactions.
15. If reported to the Committee by any attorney employed by or performing legal services for the Company, the Committee shall consider any evidence of a material violation of securities law or breach of fiduciary duty or similar violation by the Company or any agent of the Company.
16. The Committee shall provide the Company with the report of the Committee with respect to the audited financial statements required by Item 407(d)(3) of Regulation S-K, for inclusion in each of the Company's annual proxy statements.

17. The Committee, through its Chair, shall report regularly to, and review with, the Board any issues that arise with respect to the integrity of the Company's financial statements, the Company's compliance with legal requirements, the performance and independence of the Company's independent auditor, the performance of the CAE (if any), or any other matter the Committee determines is necessary or advisable to report to the Board.
18. The Committee shall periodically review and reassess the Company's treasury policies and submit any recommended changes to the Board for its consideration.
19. The Committee shall at least annually perform an evaluation of the performance of the Committee and its members, including a review of the Committee's compliance with this Charter.
20. The Committee shall at least annually review and reassess this Charter and submit any recommended changes to the Board for its consideration.